

**BANYAN GOLD CORP.  
FINANCIAL STATEMENTS**

**FOR THE SIX MONTHS ENDED**

**MARCH 31, 2022**

**(Unaudited - Prepared by Management)**



## **Notice of Disclosure of Non-auditor Review of Interim Financial Statements**

Pursuant to National Instrument 51-102, Part 4, subsection 4.3 (3)(a) issued by the Canadian Securities Administrators, if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim financial statements of the Corporation for the interim period ended March 31, 2021 have been prepared in accordance with International Financial Reporting Standards and are the responsibility of the Corporation's management.

The Corporation's independent auditors have not performed a review of these interim financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of the interim financial statements by an entity's auditor.

Dated this 27<sup>h</sup> day of May 2022.



**BANYAN GOLD CORP.**  
**INTERIM STATEMENT OF FINANCIAL POSITION**

(Unaudited - Prepared by Management)

As at March 31, 2022 and September 30, 2021 - Expressed in Canadian Funds

	March 31, 2022	September 30 2021
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents (Note 4)	\$ 5,641,780	\$ 14,361,408
Accounts receivable	451,199	311,742
Prepays	<u>58,656</u>	<u>61,465</u>
	\$ 6,151,635	\$ 14,734,615
Capital Assets, net (Note 7)	\$ 618,642	\$ 432,029
Exploration and evaluation asset (Note 6)	<u>24,366,262</u>	<u>16,853,746</u>
<b>Total Assets</b>	<b>\$ 31,136,539</b>	<b>\$ 32,020,390</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 884,552	\$ 1,072,033
Future Income Tax Liability (Note 3)	<u>6,498,407</u>	<u>6,498,407</u>
	<u>7,382,959</u>	<u>7,570,440</u>
<b>SHAREHOLDERS' EQUITY</b>		
Share capital (Note 5)	30,379,349	30,235,599
Contributed surplus	2,191,241	1,523,457
Deficit	<u>(8,817,010)</u>	<u>(7,309,106)</u>
	<u>23,753,580</u>	<u>24,449,950</u>
<b>Total liabilities and shareholders' equity</b>	<b>\$ 31,136,539</b>	<b>\$ 32,020,390</b>

*"Tara Christie"*

Tara Christie  
 CEO & President

*"Steve Burleton"*

Steve Burleton  
 Director

**BANYAN GOLD CORP.**  
**CONDENSED INTERIM STATEMENT OF OPERATIONS AND COMPREHENSIVE LOSS**

(Unaudited - Prepared by Management)

Expressed in Canadian Funds

	Three Months Ended		Six Months Ended	
	Mar 31, 2021	Mar 31, 2021	Mar 31, 2021	Mar 31, 2021
<b>EXPENSES</b>				
Management Fees	\$ 138,928	\$ 70,000	\$ 504,761	\$ 187,000
General & Admin	185,194	106,540	383,219	163,217
Listing & Filing Fees	28,936	15,252	29,266	15,252
Professional Fees	9,758	3,855	10,485	3,855
Future Income Tax Expense	-	-	-	-
Stock Based Compensation	77,636	-	667,783	378,662
<b>LOSS BEFORE OTHER ITEMS</b>	<b>440,452</b>	<b>195,647</b>	<b>1,595,514</b>	<b>747,986</b>
Rent Income	61,232	-	61,232	-
Interest Income	12,015	6,379	26,378	11,208
<b>NET LOSS AND COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>\$ 367,205</b>	<b>189,268</b>	<b>\$ 1,507,904</b>	<b>\$ 736,778</b>
<b>Loss per common share - basic &amp; diluted</b>	<b>\$ (0.00)</b>	<b>\$ (0.00)</b>	<b>\$ (0.01)</b>	<b>\$ (0.00)</b>
<b>Weighted average number of common shares outstanding</b>	<b>226,917,003</b>	<b>174,501,193</b>	<b>226,602,168</b>	<b>174,501,193</b>

**BANYAN GOLD CORP.**  
**STATEMENT OF CHANGES IN EQUITY**

(Unaudited - Prepared by Management)

For the Period Ended March 31, 2022 & 2021- Expressed in Canadian Funds

	Number of Shares	Capital Stock	Share Subscriptions Received	Contributed Surplus	Deficit	Shareholders Equity
<b>Balance, September 30, 2020</b>	<b>161,755,972</b>	<b>14,542,417</b>	<b>Nil</b>	<b>931,493</b>	<b>(4,393,260)</b>	<b>11,080,650</b>
Stock based compensation on stock options (Note 5)				378,662		378,662
Private Placement Issued December 21 & 30, 2020 (Note 5)	8,434,067	2,450,843				2,450,843
Shares issued for Property Payments (Note 5)	1,150,000	264,500				264,500
Stock Options Exercised	350,050	49,507				49,507
Warrants Exercised	8,757,250	723,203				723,203
Net loss for the 6 months					(736,778)	(736,778)
<b>Balance, March 31, 2021</b>	<b>180,447,339</b>	<b>18,030,470</b>	<b>Nil</b>	<b>1,310,155</b>	<b>(5,130,038)</b>	<b>14,210,587</b>
<b>Balance, September 30, 2020</b>	<b>226,166,728</b>	<b>30,235,599</b>	<b>Nil</b>	<b>1,523,457</b>	<b>(7,309,106)</b>	<b>24,449,950</b>
Stock based compensation on stock options (Note 5)				667,783		667,783
Stock Options Exercised	1,225,000	143,750				143,750
Net loss for the 6 months					(1,507,904)	(1,507,904)
<b>Balance, March 31, 2022</b>	<b>227,391,728</b>	<b>30,379,349</b>	<b>Nil</b>	<b>2,191,241</b>	<b>(8,817,010)</b>	<b>23,753,580</b>

Note: All shares issued have been Class A common shares. No Class B common shares or Preference shares have been issued.

**BANYAN GOLD CORP.**  
**CONDENSED INTERIM STATEMENT OF CASH FLOWS**

(Unaudited - Prepared by Management)

Expressed in Canadian Funds

	Three Months Ended		Six Months Ended	
	Mar 31, 2021	Mar 31, 2021	Mar 31, 2021	Mar 31, 2021
<b>Cash Flows from Operating Activities</b>				
Net profit/(loss) for the period	\$ (367,205)	\$ (189,268)	\$ (1,507,904)	\$ (736,778)
Adjustments for items not involving cash:				
Amortization	19,923	6,544	38,214	11,295
Future Income Tax for Renunciation	-	-	-	-
Stock based compensation	77,636	-	667,783	378,662
	<b>(269,646)</b>	<b>(182,724)</b>	<b>(801,907)</b>	<b>(346,821)</b>
Changes in non-cash working capital items:				
Decrease (Increase) in receivables & accrued interest	(40,326)	18,533	(139,457)	24,150
Decrease (Increase) in Prepaids & Deposits	9,826	(221,247)	2,809	(246,309)
Increase (Decrease) in payables and acc. Liabilities	686,077	739,674	(187,481)	(3,629)
<b>Net cash used in operating activities</b>	<b>385,931</b>	<b>354,236</b>	<b>(1,126,036)</b>	<b>(572,609)</b>
<b>Cash Flows from Investing Activities</b>				
Acquisition of Capital Assets	(32,667)	(35,841)	(224,826)	(327,100)
Government Grant for Exploration	40,000	46,000	40,000	46,000
Exploration and Evaluation – cash cost	(3,478,856)	(1,142,747)	(7,552,516)	(2,616,244)
<b>Net cash from investing activities</b>	<b>(3,471,523)</b>	<b>(1,132,588)</b>	<b>(7,737,342)</b>	<b>(2,897,254)</b>
<b>Cash Flows from Financing Activities</b>				
Proceeds from Share Issuance	-	-	-	2,500,000
Stock options exercise	88,000	25,005	143,750	49,507
Warrants exercised	-	723,203	-	723,203
Share Issuance Costs (excluding warrant costs)	-	(6,298)	-	(49,158)
<b>Net cash from financing activities</b>	<b>88,000</b>	<b>741,910</b>	<b>143,750</b>	<b>3,223,552</b>
<b>Increase (Decrease) in cash &amp; cash equivalents during the period</b>	<b>(2,997,592)</b>	<b>(36,441)</b>	<b>(8,719,628)</b>	<b>(246,310)</b>
<b>Cash &amp; Cash Equivalents - Beginning of the Period</b>	<b>8,639,371</b>	<b>5,146,174</b>	<b>14,361,408</b>	<b>5,356,043</b>
<b>Cash &amp; Cash Equivalents - End of the Period</b>	<b>\$ 5,641,780</b>	<b>\$ 5,109,733</b>	<b>\$ 5,641,780</b>	<b>\$ 5,109,733</b>
<b>Supplemental Disclosures</b>				
Interest Paid	-	-	-	-
Interest Received	12,015	6,379	26,378	11,208

## **BANYAN GOLD CORP.**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the periods ended March 31, 2022 and 2021

Expressed in Canadian Funds

#### **1. NATURE AND CONTINUANCE OF OPERATIONS**

Banyan Gold Corp. (the "Company", "Corporation" or "Banyan"), was incorporated as Banyan Coast Capital Corp. by a Certificate of Incorporation issued pursuant to the provisions of the Alberta Business Corporations Act ("ABCA") on July 26, 2010. The address of the Company's registered office is 166 Cougarstone Crescent SW, Calgary, Alberta, T3H 4Z5. These financial statements were approved and authorized for issuance by the Board of Directors on May 27, 2022.

The Company commenced trading on January 27, 2011, and trades under the symbol BYN.

These financial statements are presented on a going concern basis, which assumes the Company will continue to realize its assets and discharge its liabilities in the normal course of operations.

The Company does not generate cash flows from operations and has therefore relied principally on the issuance of equity securities to finance its operation activities to the extent that such instruments are issuable under terms acceptable to the Company.

If future financing is unavailable, the Company may not be able to meet its ongoing obligations, in which case the realizable values of its assets may decline materially from current estimates. The financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue operations.

#### **2. BASIS OF PRESENTATION**

These financial statements, including comparatives have been prepared using accounting policies consistent with International Financial Reporting Standards ("IFRS"). The financial statements have been prepared on a historical cost basis, except for financial instruments classified as financial instruments at fair value through profit and loss, which are stated at their fair value. In addition, these financial statements have been prepared using the accrual basis of accounting except for cash flow information.

The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported expenses during the period. Actual results could differ from these estimates.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the end of the reporting period, that could result in a material adjustment to the carry amounts of assets and liabilities in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- i) the recoverability of receivables which are included in the statements of financial position;
- ii) the inputs used in accounting for stock-based compensation expense, which are included in the statement of operations;
- iii) recoverability of future income tax asset;
- iv) recoverability of exploration and evaluation expense asset;
- v) the valuation of the rehabilitation provision; and
- vi) the valuation of share-based payments transactions.

## **BANYAN GOLD CORP.**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the periods ended March 31, 2022 and 2021

Expressed in Canadian Funds

### **3. SIGNIFICANT ACCOUNTING POLICIES**

#### **Foreign Exchange**

The functional currency is the currency of the primary economic environment in which the entity operates. The functional currency is the Canadian dollar. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21, *The Effects of Changes in Foreign Exchange Rates*.

Transactions in currencies other than the Canadian dollar are recorded at exchange rates prevailing on the dates of the transactions. At the end of each reporting period, the monetary assets and liabilities of the Company that are denominated in foreign currencies are translated at the rate of exchange at the statement of financial position date while non-monetary assets and liabilities are translated at historical rates. Revenues and expense are translated at the exchange approximating those in effect on the date of the transactions. Exchange gains and losses arising on translation are included in the statements of loss and comprehensive loss.

#### **Cash and Cash Equivalents**

Cash and cash equivalents are comprised of cash on hand and short-term notes (one year or less).

#### **Financial Instruments**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

#### ***i. Classification and Measurement of Financial Assets***

All recognized financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortized cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, specifically:

- debt investments that are held within a business model of which objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at amortized cost;
- debt investments that are held within a business model of which objective is both to collect the contractual cash flows and to sell the debt instruments, and that have contractual cash flows that are solely payments of principal and interest on the principal amount outstanding, are subsequently measured at fair value through other comprehensive income (FVTOCI);
- all other debt investments and equity investments are subsequently measured at fair value through profit or loss (FVTPL).



## **BANYAN GOLD CORP.**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the periods ended March 31, 2022 and 2021

Expressed in Canadian Funds

### **3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

Despite the foregoing, the Company may make the following irrevocable election/designation at initial recognition of a financial asset:

- the Company may irrevocably elect to present subsequent changes in fair value of an equity investment that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies in other comprehensive income; and
- the Company may irrevocably designate a debt investment that meets the amortized cost or FVTOCI criteria as measured at FVTPL if doing so eliminates or significantly reduces an accounting mismatch.

In the current year, the Company has not designated any debt investments that meet the amortized cost or FVTOCI criteria as measured at FVTPL.

When a debt investment measured at FVTOCI is derecognized, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment. In contrast, for an equity investment designated as measured at FVTOCI, the cumulative gain or loss previously recognized in other comprehensive income is not subsequently reclassified to profit or loss. Debt instruments that are subsequently measured at amortized cost or at FVTOCI are subject to impairment.

#### **Impairment of Financial Assets**

In relation to the impairment of financial assets, IFRS 9 requires an expected credit loss ("ECL") model as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires the Company to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition of the financial assets. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised. Specifically, IFRS 9 requires the Company to recognise a loss allowance for expected credit losses on debt investments subsequently measured at amortized cost. In particular, IFRS 9 requires the Company to measure the loss allowance for a financial instrument at an amount equal to the lifetime ECL if the credit risk on that financial instrument has increased significantly since initial recognition, or if the financial instrument is a purchased or originated credit-impaired financial asset. On the other hand, if the credit risk on a financial instrument has not increased significantly since initial recognition (except for a purchased or originated credit-impaired financial asset), the Company is required to measure the loss allowance for that financial instrument at an amount equal to 12 months ECL. IFRS 9 also provides a simplified approach for measuring the loss allowance at an amount equal to lifetime ECL for trade receivables, contract assets and lease receivables in certain circumstances.

#### **ii. Classification and Measurement of Financial Liabilities**

IFRS 9 requires that the changes in the fair value of the financial liability that is attributable to changes in the credit risk of that liability be presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss, but are instead transferred to retained earnings when the financial liability is derecognized. Previously, under IAS 39, the entire amount of the change in the fair value of the financial liability designated as at FVTPL was presented in profit or loss. The application of IFRS 9 has had no impact on the classification and measurement of the Company's financial liabilities: accounts payable and accrued liabilities and due to shareholders continue to be subsequently measured at amortized cost.

## **BANYAN GOLD CORP.**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the periods ended March 31, 2022 and 2021

Expressed in Canadian Funds

### **3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

#### *iii. General Hedge Accounting*

The general hedge accounting requirements retain the three types of hedge accounting. However, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an 'economic relationship'. Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about the Company's risk management activities have also been introduced.

The Company does not apply the hedge accounting to its financial instruments.

#### **Impairment of Non-Financial Assets**

At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in the profit or loss for the period. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash generating unit to which the asset belongs.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

#### **Property Plant and Equipment**

At acquisition, the Company records property and equipment at cost, including all expenditures incurred to prepare an asset for its intended use. These expenditures consist of: the purchase price; broker's commissions; and installation costs including architectural, design and engineering fees, legal fees, survey costs, site preparation costs, freight charges, transportation insurance costs, duties, testing and preparation charges.

The Company capitalizes cost that meet the asset recognition criteria. Costs incurred that do not extend the productive capacity or useful economic life of an asset are considered repairs and maintenance expenses and are accounted for in the profit and loss in the period.

The Company provides for amortization using the declining balance method at rates designed to amortize the cost of the property over their estimated useful lives. The annual amortization rates are as follows:

## **BANYAN GOLD CORP.**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the periods ended March 31, 2022 and 2021

Expressed in Canadian Funds

#### **3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

Building	4%
Automotive	30%
Computers	55%
Camp Equipment	30%

Depreciation of property and equipment utilized in the exploration of assets, including mine exploration, is recapitalized as exploration and evaluation costs attributable to the related asset.

#### **Interest Income**

Interest income is recognized as it accrues in the statement of loss and comprehensive loss, using the effective interest method.

#### **Loss Per Share**

The Company presents basic loss per share for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted loss per share does not adjust the loss attributable to common shareholders or the weighted average number of common shares outstanding when the effect is anti-dilutive.

#### **Share-based Payments**

The Company may grant stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

The fair value of stock options is measured on the date of grant, using the Black-Scholes option pricing model, and is recognized over the vesting period. Consideration paid for the shares on the exercise of stock options is credited to share capital.

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment. Otherwise, share-based payments are measured at the fair value of goods or services received.

#### **Income Taxes**

The income tax expense or benefit for the period consists of two components: current and deferred. Income tax expense is recognized in the statements of comprehensive loss except to the extent it relates to an item recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable profit or loss for the year. Current tax is calculated using tax rates and laws that were enacted or substantively enacted at the reporting date in each of the jurisdictions and includes any adjustments for taxes payable or recovery in respect of prior periods.

Deferred tax is recognized using the liability method, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. However, the deferred tax is not recognized if it arises from initial recognition of an asset or liability in a transaction other than a business

## **BANYAN GOLD CORP.**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the periods ended March 31, 2022 and 2021

Expressed in Canadian Funds

#### **3. SIGNIFICANT ACCOUNTING POLICIES (continued)**

combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

The Company recalculates the current income tax liability on annual basis when the income tax return is completed. For the components comprising the current Future Income Tax Liability please refer to Note 9 in the Company's September 30, 2021 audited financial statements.

During F2021, the Company raised \$13,750,000 in funds which were considered flow through funds within the meaning of the Income Tax Act (Canada) and will be used to incur "Canadian exploration expenses" as defined in subsection 66.1(6) of the *Income Tax Act* (Canada) (the "Tax Act") on the Company's properties in the Yukon Territory. At the end of the quarter the Company had a remaining balance to spend on flow through mining expenditures, as defined in subsection 127(9) of the Tax Act, of \$3,582,297.

#### **Mineral Exploration and Evaluation Expenditures**

Costs that are directly related to exploration and evaluation expenditures are recognized and capitalized, in addition to the acquisition costs. These direct expenditures include such cost as: materials used, surveying costs, geological costs, drilling costs, travel to and from the site, and payments made to contractors. Government grants related to exploration assets are accounted for by deducting the value of the grant from the carrying value of the asset. Costs not directly attributable to exploration and evaluation activities, including general and administrative overhead, are expensed in the year in which they occur.

#### **Rehabilitation Provision**

The Company is subject to various government laws and regulations relating to environmental disturbances caused by exploration and evaluation activities. The Company records the present value of the estimated costs of restoration obligation in the year in which the obligation is incurred. When the liability is recognized, the present value of the estimated costs is capitalized by increasing the carrying amount of the related exploration properties. The discounted liability is increased for the changes in present value based on current market discount rates and liabilities specific risks.

#### **Segment Reporting**

The Company determined that it had only one operating segment.

#### **New Standards and Interpretations**

None

**BANYAN GOLD CORP.****NOTES TO THE FINANCIAL STATEMENTS**

For the periods ended March 31, 2022 and 2021

Expressed in Canadian Funds

**4. CASH AND CASH EQUIVALENTS**

	<b>Mar 31, 2022</b>	<b>Mar 31, 2021</b>
Cash on Deposit	\$ 1,224,110	\$ 1,101,315
Liquid short-term investments	4,417,670	4,008,418
	<b>\$ 5,641,780</b>	<b>\$ 5,109,733</b>

**5. SHARE CAPITAL****Authorized:**

Unlimited number of:

- Unlimited Class A voting common shares
- Unlimited Class B non-voting, common shares
- Unlimited Preferred Shares

All issued shares are fully paid

There were 227,391,728 Class A common shares issued and outstanding on March 31, 2022, no warrants.

At the end of the quarter ended March 31, 2022, the following share options were outstanding to directors, officers and consultants:

Number	Exercise Price	Expiry Date
1,375,000	\$ 0.12	September 23, 2022
650,000	\$ 0.08	December 29, 2022
200,000	\$ 0.075	June 19, 2023
1,150,000	\$ 0.05	December 19, 2023
4,100,000	\$ 0.06	December 12, 2024
750,000	\$ 0.12	June 2, 2025
1,850,000	\$ 0.23	December 9, 2025
3,600,000	\$ 0.24	May 11, 2026
3,325,000	\$ 0.32	December 16, 2026
400,000	\$ 0.395	February 24, 2027
<b>17,400,000</b>		

**Summary current year quarter transactions**

	Number	Price	Funds Raised
Financings:	Nil	-	\$ Nil
Stock options exercised:	800,000	\$ 0.11	\$ 88,000
	<b>800,000</b>		<b>\$ 88,000</b>

## **BANYAN GOLD CORP.**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the periods ended March 31, 2022 and 2021

Expressed in Canadian Funds

#### **5. SHARE CAPITAL (continued)**

##### ***Current year***

In the current year quarter, no financings were undertaken.

In total, \$88,000 was raised through the exercise of 800,000 stock options at \$0.11.

##### ***Prior year***

During the prior year quarter the Company issued 166,700 shares on the exercise of stock options at \$0.15 per share and issued 8,757,250 shares on the exercise of warrants; 4,330,000 at \$0.075 per share and 4,427,250 at \$0.09 per share.

##### **Stock options**

The Company has established a stock option plan (the "Plan") for the directors, officers, employees and consultants of the Company. The Plan is administered by the Board of Directors of the Company who establish the exercise prices, vesting conditions and expiry date of the options in accordance with the requirements imposed by the Exchange.

The aggregate number of shares assumable upon the exercise of all options granted under the Plan shall not exceed 10% of the issued and outstanding shares reserved for the issuance to (a) any individual director or officer which will not exceed 5% of the issued and outstanding common shares, and (b) all consultants which will not exceed 2% of the issued and outstanding common shares.

##### ***Current Year Options***

During the quarter ended March 31, 2022, the Company granted the following stock options:

400,000 stock options were issued on February 24, 2022, exercisable at \$0.395 for 5 years. These options expire on February 24, 2027. The fair value of stock options granted is estimated on this date, using the Black-Scholes option pricing model, with the following assumptions:

Risk-free interest rate	1.73%
Estimated volatility	55.9%
Expected Life	5 years
Expected dividend yield	0%

The fair value of all stock options granted was \$0.1941

##### ***Prior Year Options***

There were no options issued during the prior year quarter ended March 31, 2021.

**BANYAN GOLD CORP.****NOTES TO THE FINANCIAL STATEMENTS**

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**6. EXPLORATION AND EVALUATION ASSET****Analysis of property expenditures:**

	Aurex*	McQuesten*	Nitra	Aurex* Extension	Hyland	Total
<b>Balance, Sept 30, 2020</b>	<b>1,733,434</b>	<b>2,274,003</b>	<b>134,097</b>	<b>67,087</b>	<b>3,679,053</b>	<b>7,887,674</b>
Acquisition costs	172,500	92,000	-	-	-	264,500
Government Grant received	(3,000)	(3,000)	(40,000)	-	-	(46,000)
Exploration & evaluation expenses capitalized	1,710,195	824,623	56,318	24,923	387	2,616,446
<b>Balance, Mar 31, 2021</b>	<b>3,613,129</b>	<b>3,187,626</b>	<b>150,415</b>	<b>92,010</b>	<b>3,679,440</b>	<b>10,722,620</b>
<b>Balance, Sept 30, 2021</b>	<b>9,268,639</b>	<b>3,278,399</b>	<b>364,352</b>	<b>92,010</b>	<b>3,850,346</b>	<b>16,853,746</b>
Acquisition costs	-	-	10,500	-	-	10,500
Government Grant received	-	-	(40,000)	-	-	(40,000)
Exploration & evaluation expenses capitalized	7,384,291	68,749	<b>88,639</b>	-	337	7,542,016
<b>Balance, Mar 31, 2021</b>	<b>16,652,930</b>	<b>3,347,148</b>	<b>423,491</b>	<b>92,010</b>	<b>3,850,683</b>	<b>24,366,262</b>

\*These Properties are collectively referred to as AurMac Property or Project in Corporate disclosure documents.

**Highlights of Aurex Agreement with Victoria Gold Corp.:**

Under the terms of the binding Letter Agreement with Victoria, Banyan may earn up to 100% interest in the Aurex property in three (3) stages:

- **Initial 51% Option Interest – COMPLETED.** The Company was required, over a period of four (4) years, to issue in stages a total of 3 million common shares in the capital of the Company, and to incur in stages minimum exploration expenditures totaling \$1.6 million on the Property. Banyan will act as the Property's operator during the initial four-year term and has the option to defer expenditures into a 5<sup>th</sup> year. Following the earning of the 51% Option Interest, a joint venture ("JV") will be formed and Banyan will have the ability to elect to earn an additional 24%.
- **Additional 24% Interest** – In order to earn the Additional 24% Interest, such that Banyan would have an aggregate interest of 75% in the Property, Banyan will be required to spend an additional \$3.5 million in exploration expenditures over five (5) years. Upon having earned the Additional 24% Interest, Banyan will continue to act as the Property's operator and may elect to earn an additional 25%.
- **Additional 25 % interest** – In order to earn the Additional 25% Interest, such that Banyan would have an aggregate interest of 100% in the Property, within two (2) years Banyan must pay Victoria \$2 million cash or shares and grant Victoria a 6% net smelter return ("NSR") royalty with buybacks totaling \$7 million to reduce to a 1% NSR royalty on Au and a 3% NSR royalty on Ag.

## **BANYAN GOLD CORP.**

### **NOTES TO THE FINANCIAL STATEMENTS**

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#### **6. EXPLORATION AND EVALUATION ASSET (continued)**

##### **Highlights of McQuesten Agreement with Alexco Resource Corp:**

Under the terms of the binding Letter Agreement with Alexco, Banyan may earn up to a 100% interest in the McQuesten property in three (3) stages:

- Initial 51% Option Interest – **COMPLETED**. The Company was required, over a period of four (4) years, to issue in stages a total of 1.6 million common shares in the capital of the Company, and to incur in stages minimum exploration expenditures totaling \$1.6 million on the Property. Banyan will act as the Property's operator during the initial four-year term and has the option to defer expenditures into a 5<sup>th</sup> year. Following the earning of the 51% Option Interest, a joint venture ("JV") will be formed and Banyan will have the ability to elect to earn an additional 24%.
- Additional 24% Interest – In order to earn the Additional 24% Interest, such that Banyan would have an aggregate interest of 75% in the Property, within three (3) years Banyan must spend an additional \$1 million in exploration expenditures, deliver a Preliminary Economic Assessment ("PEA") and pay Alexco \$600,000 in cash or shares of Banyan. Upon having earned the Additional 24% Interest, Banyan will continue to act as the Property's operator and may elect to earn an additional 25%.
- Additional 25% interest – In order to earn the Additional 25% Interest, such that Banyan would have an aggregate interest of 100% in the Property, within two (2) years Banyan must pay Alexco \$2 million in cash or shares, deliver a Pre-Feasibility Study and grant Alexco a 6% NSR royalty with buybacks totaling \$7 million to reduce to a 1% NSR royalty on Au and a 3% NSR royalty on Ag.

**NOTE – See Subsequent Events:** On May 3, 2022, Victoria Gold bought the underlying interest in the McQuesten Agreement from Alexco Resource Corp. As part of Banyan's agreement to this transfer the requirement for a Preliminary Economic Assessment was moved to December 2025 and the requirement for a Pre-Feasibility was eliminated.

##### **Aurex & McQuesten, together the AurMac Property**

On May 24, 2017, the Corporation completed the definitive agreements on the Aurex and McQuesten projects subject to TSX Venture approval and in the case of Alexco, requiring the consent of Silver Wheaton and the Government of Canada. The agreements provided for the Corporation to acquire up to 100% of the Aurex Property, from Victoria Gold Corp. ("Victoria") and up to 100% of the McQuesten Property, from Alexco Resource Corp. ("Alexco"). The Aurex and McQuesten gold properties are contiguous, comprising 8,230 hectares and 1,000 hectares respectively and are both highly prospective for intrusive-related gold mineralization, and include areas of historic gold production (lode and placer), in the prolific Mayo Mining District, Yukon Territory.

In March 2021, the Parties ("Victoria Gold Corp., Alexco Resources Corp. and Banyan Gold Corp.") decided to defer formalizing a joint venture as Banyan continues to work under the definite agreement terms to earn additional interest in the Properties. Banyan continues to be the operator on the AurMac Project.

A NI 43-101 technical report for the AurMac Project titled Technical Report on the AURMAC Property, Mayo Mining District Yukon Territory, Canada was prepared by Marc Jutras of Ginto Consulting Inc. and filed on SEDAR on July 7, 2020.

The Resource was subsequently updated to Four (4) Million ounces on May 13, 2022 (See **Subsequent Events**)



## BANYAN GOLD CORP.

### NOTES TO THE FINANCIAL STATEMENTS

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#### 6. EXPLORATION AND EVALUATION ASSET (continued)

##### Nitra Claims

The Nitra Claims were staked between F2020 and F2021 and are comprised of 1,442 claims covering 296 km<sup>2</sup>. They begin approximately 5km to the west of the AurMac Project and are 100% owned with no underlying royalties.

##### Aurex Extension

The Aurex Extension is a claim group covering 401 claims immediately adjacent to the Aurex Project and is 100% owned by the Company.

#### 7. PROPERTY AND EQUIPMENT

Cost	Building & Land	Vehicles	Computers	Camp Equip	Total
Balance – September 30, 2020	0	64,936	4,800	57,331	127,067
Additions	286,270	0	5,427	103,865	395,562
Balance – September 30, 2021	286,270	64,936	10,227	161,196	522,629
Additions	0	0	-	224,826	224,826
Balance – March 31, 2022	286,270	64,936	10,227	386,022	747,455

  

Accumulated Depreciation	Building & Land	Vehicles	Computers	Camp Equip	Total
Balance – September 30, 2020	0	47,407	4,483	11,030	62,920
Depreciation	0	5,259	920	21,501	27,680
Balance – September 30, 2021	0	52,666	5,403	32,531	90,600
Depreciation	0	1,840	1,327	35,046	38,213
Balance – March 31, 2022	0	54,506	6,730	67,577	128,813

  

Carrying Amount	Building & Land	Vehicles	Computers	Camp Equip	Total
Balance – September 30, 2020	0	17,529	317	46,301	64,147
Balance – September 30, 2021	286,270	12,270	4,824	128,665	432,029
Balance – March 31, 2022	286,270	10,430	3,497	318,445	618,642

#### 8. RELATED PARTY TRANSACTIONS

During the quarter, \$88,500 (2021 - \$70,000) was billed to the Corporation by officers and directors of the Company. \$63,000 (2021 - \$51,250) was billed by KECM Services, a company controlled by the CEO and \$25,500 (2021 - \$18,750) has been billed to management fees by 1195472 Ontario Ltd. for the CFO.

## **BANYAN GOLD CORP.**

### **NOTES TO THE FINANCIAL STATEMENTS**

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#### **9. FINANCIAL AND CAPITAL RISK MANAGEMENT**

Fair value estimates are made at the reporting date, based on relevant market information and other information about the financial instruments. Fair values are determined directly by reference to published price quotations in an active market, when available, or by using a valuation technique that uses inputs observed from the markets.

The Company classifies its fair value measurements within a fair value hierarchy, which reflects the significance of the inputs used in making the measurements.

Level 1 - Unadjusted quoted prices at the measurement date for identical assets or liabilities in active markets.

Level 2 - Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Significant unobservable inputs which are supported by little or no market activity.

All of the Company's cash and cash equivalents are assessed to be in Level 1.

The fair market value of the Company's receivables, payables and accruals approximate their carrying amount due to their short-term nature.

##### **a) Credit risk**

Credit risk is the risk of loss associated with a counter party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to its cash balances. The Company manages its credit risk on bank deposits by holding deposits in high credit quality banking institutions in Canada. Management believes that the credit risk with respect to receivables is remote.

##### **b) Liquidity risk**

The Company's approach to managing liquidity risk is to ensure that it will have sufficient capital to meet liabilities when due after taking into account the Company's holdings of cash that might be raised from equity financings.

As at March 31, 2022, the Company had cash and short-term investments of \$5,641,780 (2021 - \$5,109,733) and current liabilities of \$884,552 (2021 - \$820,040). All of the Company's accounts payable and accrued liabilities have contractual maturities of less than 60 days and are subject to normal trade terms. Current cash balances will allow the Company to continue to operate without requiring a financing through the remainder of the fiscal year.

##### **c) Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company does not believe a change by 1% in interest rate will have a significant impact on the fair value of its cash equivalents.

##### **d) Foreign currency risk**

The Company's reporting currency is in Canadian dollars and major transactions are denominated in Canadian dollars. Therefore, the Company's currency risk is not significant.

## **BANYAN GOLD CORP.**

### **NOTES TO THE FINANCIAL STATEMENTS**

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#### **9. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)**

##### **Capital disclosures**

The Company manages its capital, consisting of shareholders' equity, in a manner consistent with the risk characteristics of the assets it holds. All sources of financing are analyzed by management and approved by the board of directors.

The Company's objectives when managing capital are:

- a) to safeguard the Company's ability to continue as a going concern; and
- b) to facilitate potential acquisitions.

The Company is meeting its objective of managing capital through its detailed review and performance of due diligence on all potential acquisitions, preparing short-term and long-term cash flow analysis to ensure an adequate amount of liquidity and monthly review of financial results. As disclosed previously, there are restrictions on the use of cash.

There were no changes in the Company's approach to capital management during the period ended December 31, 2021.

#### **10. LOSS PER SHARE**

Diluted loss per share for the years ended March 31, 2022 and 2021 is the same as basic loss per share. The impact of the exercise of the outstanding share options and warrants in the money in 2022 did not change the loss per share on a rounded basis.

#### **11. SUBSEQUENT EVENTS**

##### *Changes to the McQuesten Agreement:*

On April 26, 2022 Victoria Gold Corp. (Victoria) purchased the underlying interest on the McQuesten property from Alexco Resource Corporation (Alexco) which will entitle Victoria to receive payments from Banyan of \$600,000 in cash or shares by December 2023 and \$2 Million cash or shares by December 2025 as well as acquire the underlying NSR royalty interest from the original agreement with Alexco. The original option agreement was modified to remove the requirement for a Pre-Feasibility Study and move the requirement for the PEA from 2023 to 2025 (earn in to 100%). The standstill with Victoria Gold at 19.9% remains and all other substantive terms of the option agreement remain unchanged.

##### *New Resource Update on the AurMac Project:*

On May 17, 2022, the Corporation announced an updated mineral resource estimate (the "Resource Estimate") prepared for the Company's AurMac Property located in the Mayo Mining district, approximately 56 kilometres ('kms") northeast from Mayo, Yukon and 356 kms north of Whitehorse, Yukon (the "AurMac Property").

The updated Resource Estimate comprises a total inferred mineral resource of 3,990,000 ounces of gold (Table 1) on the road accessible AurMac Property.

## BANYAN GOLD CORP.

### NOTES TO THE FINANCIAL STATEMENTS

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#### 11. SUBSEQUENT EVENTS (Continued)

This pit constrained mineral resource is contained in three near/on-surface deposits: the Airstrip, Powerline and Aurex Hill deposits. The Resource Estimate is summarized below in Table 1. For greater detail please refer to the Company's news release of May 17, 2022

**Table 1: Pit-Constrained Inferred Mineral Resources – AurMac Property**

Deposit	Au Cut-Off g/t	Tonnage M Tonnes	Average Au Grade g/t	Au Content k oz.
Airstrip	0.2	42.5	0.64	874
Powerline	0.2	152.0	0.59	2,898
Aurex Hill	0.3	12.5	0.53	215
Total Combined	0.2 - 0.3	207.0	0.60	3,990

Notes to Table 1:

1. The effective date for the Resource Estimate is May 13, 2022.
2. Mineral resources which are not mineral reserves do not have demonstrated economic viability. The Resource Estimate may be materially affected by environmental, permitting, legal, title, taxation, sociopolitical, marketing, changes in global gold markets or other relevant issues.
3. The definitions of inferred mineral resources that are contained in the Definition Standards of the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM Definition Standards"), which are incorporated by reference into National Instrument 43-101, Standards of Disclosure for Mineral Projects ("NI 43-101") were followed to classify the mineral resources in the Resource Estimate. The quantity and grade of reported inferred mineral resources in this estimation are uncertain in nature and there has been insufficient exploration to define these inferred mineral resources as an indicated mineral resource and it is uncertain if further exploration will result in upgrading them to an indicated or measured mineral resource category.
4. Mineral resources are reported at a cut-off grade of 0.2 g/t Au for the Airstrip and Powerline deposits and 0.3 g/t Au for the Aurex Hill deposits, using a US\$/CAN\$ exchange rate of 0.75 and constrained within an open-pit shell optimized with the Lerchs-Grossman algorithm to constrain the Mineral Resources with the following estimated parameters: gold price of US\$1,700/ounce, US\$2.50/t mining cost, US\$5.50/t processing cost, US\$2.00/t G+A, 80% heap leach recoveries, and 45° pit slope. The gold price and cost assumptions are consistent with current pricing assumptions and costs, and in particular are consistent with those employed for recent technical reports for similar pit-constrained Yukon gold projects.
5. The number of tonnes was rounded to the nearest hundred thousand. The number of ounces was rounded to the nearest thousand and final result to three significant figures. Any discrepancies in the totals are due to rounding effects.

#### Stock Option Exercise:

On May 19, 2022 the following stock options were exercised:

- 400,000 stock options with an expiry date of September 23, 2022 at \$0.12 per option.
- 350,000 stock options with an expiry date of December 29, 2022 at \$0.08 per option.